

# THE COMMUNIST INTERNATIONAL

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Official Organ of the Executive Committee of the Communist International



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" Charter "

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## August 4th

**T**HIRTEEN years since the treachery of the Social-Democratic leaders annihilated the Second International; thirteen years since the beginning of that period, so clearly predicted by the Bolsheviks and a few of the more left wing elements within the Second International—the period of alliance between the Social-Democratic Parties (the recognised leaders of the working class) and the bourgeoisie.

Thirteen years since Haase, representing the most powerful group of the Second International, declared: "In this hour of need we shall stand by our Fatherland."

Thirteen years since Messrs. Vandervelde and Bertrand in recognition of their services—their betrayal of the workers—were honoured with the posts of ministers.

Measured by the misery which these thirteen years have brought to the international working class, this period has been very slow, but measured by the remarkable revival of the revolutionary movement, the changes have indeed been rapid.

A danger threatens the workers of Europe; they may forget their experiences of 1914-18, and accept the illusion that they are on the threshold of a long period of tranquillity. To strengthen this illusion Social-Democracy has done its utmost. They have tried to lull workers to sleep by their slogan of "No More War." They have attempted to pacify the workers by pointing to the League of Nations and to the disarmament conferences.

There are many signs urging us to remind the workers of August 4th. Last year was a year of bloodshed, a year full of sacrifices. All the forces of the bourgeoisie have been concentrated on putting an end to the rapid development of the revolution in China, on making a determined effort to suppress absolutely the rebellions in Java and Indonesia.

Yet all attempts to break the revolutionary spirit of the international revolutionary armies were doomed to failure. There has been a set-back, but the struggle still continues. The sudden flare-up of the Indonesian movement, the actions of the Chinese revolutionaries, display an indomitable will to battle and victory.

One fact has become obvious to every thoughtful worker—the British bourgeoisie are actively preparing an onslaught against the Soviet Union. Let us not be deluded by the promises, by the beautiful theories advanced by Otto Bauer and his consorts. Let us not believe that British imperialism is against war. British imperialism desires war. But for the unshakable will to peace of the Soviet Union and the contradictions within capitalism itself, English provocations would certainly have borne fruit already. The immediate war danger has, however, not yet been averted.

The propaganda carried on by the Social-Democratic press against Bolshevism and against the only Workers' State in the world has become the greatest danger to the international proletariat.

Their aim is the very heart of the international proletariat, the Union of Soviet Republics. The bourgeoisie is making an universal attempt at political and economic suppression of the proletariat so as to make possible preparations for war.

**F**RESH in the memory of all are the Fascist murders in Germany and in peace-loving Austria. Only too fresh is the brutal wound inflicted upon the working class by the Social-Democratic police of Vienna.

We Communists repeat these facts on the 4th of August, not because we want to join in the chorus of "No More War" composed by the pacifists of the Second International and of the middle class. We remind the workers of these facts in order to show them that for us this treachery of August the 4th is of special significance. The past, present and future existence of war, as long as the capitalist order persists, is a fact which hardly needs mention. The Bolsheviks have never for a single moment made this fact an object of lamentations. They always viewed the war danger as a fact to be included in their reckonings and one to be grappled with seriously.

August 4th stands out as a day of treason of the Second International. It is a turning point in the process of evolution of the class struggle, the day on which opposing elements joined one or the other side of



## August 4th—continued

the barricades. Every proletarian realising the treachery—the irremovable stain upon the character of Social-Democratic leaders—of August 4th holds in him the indomitable will to pursue the fight against any repetition of such a treachery.

There is, in fact, a danger of renewed treachery by the reformist trade union leaders, and by the leaders of the Social-Democratic Party. These facts we must closely watch. *Social-Democracy, with a full sense of realisation, is preparing another 4th of August.* The Communist International is in duty bound to prepare an intense campaign against such treachery.

The world Social-Democratic press has recently voiced the following idea: The policy of the Bolsheviks is stupid and criminal. Though aware that England is preparing a war against them and that enmity is growing, though realising that a catastrophe can only be averted by co-operation with the international working class, they continue their campaign against the "acknowledged" leaders of the international working-class movement, a campaign resulting in splits and disunions. Why do they give active and moral support to the Communist movement, which everywhere is weakening the Labour movement?

**M**ORE open-hearted Social-Democrats go as far as declaring: "Liquidate the Communist International and all will be well." A fine argument indeed! If, for a moment, we were willing to admit that the existence or non-existence of the Soviet Union depended on the goodwill of the gentlemen of the Second International, then we would certainly have to realise that, in case of war, the Soviet could expect little help of any kind.

In every-day speech the diplomatic words of the Social-Democratic leaders would sound somewhat as follows:

*"Help us into ministerial posts! Vote for us in the elections! And peace will be certain."* We understand these gentle proposals very well. *Scheidemann and Wels, Renner and Adler, Macdonald and Henderson, Blum and Renaudel* have no objection to Communist organisations when they perform functions for their benefit.

But we fully realise what will be done with the votes and how the governmental posts will be utilised. It is not difficult to picture the kind of friendship with the Soviet Union, nor the kind of desire for peace in such circumstance. We have only to recollect Macdonald's note on the "Zinovieff letter," the note which was the direct predecessor of Chamberlain's provocative communication. And now at last we see an example of the behaviour of the Austrian Social-Democratic Party, the model party of the Second International. While the masses are parading the streets it hides behind the police, allows workers to be fired at, and betrays the workers in their fight.

The Social-Democratic Party of Austria has always boasted of the fact that it never voted for war credits, failing to mention that this was due entirely to an accident of the parliamentary machine. It celebrated August the 4th only formally in press articles. It has

always managed to conceal from the proletariat the part it played in the 1914 treason.

But during the eventful July days of 1927, when workers of Vienna were murdered by special permission, and the Social-Democrats made a cowardly retreat, a treason as wicked as that of August 4th was committed. Like their German colleagues, the Austrian Social-Democrats did not, in the hour of danger, leave the bourgeoisie in the lurch, but instead organised Defence Corps against the struggling workers.

**S**UCH is the picture painted by the most left wing Social-Democrats. It is hardly necessary to repeat a fact which could so often be proved during recent years. Social-Democracy is proud of August 4th. Julius Deutsch, Renaudel, Hermann, Müller and many others all maintain an attitude that, in case of war, their country must be defended.

"The experiences during the world war have clearly indicated the difficulty of refusing support to one's own country in case of war. Now let it be remembered that the future will place a far greater share of responsibility upon working-class parties than was the case heretofore. Working-class parties have grown considerably, and are exerting increasing influence, so much so that in some countries they have held places in the government. We are convinced that everywhere they will throw their weight on the scales to checking military development of existing contradictions. If, in spite of this, war, nevertheless, breaks out the parties of the workers will not be able to reply to their government with a stubborn "No," much less so than they were able to do at the beginning of the world war, just because they have become powerful factors in the State." (J. Deutsch, "Defence and Social-Democracy," page 106.)

This War Minister thus finds a stubborn "No" inconceivable. And it is Social-Democrats of such a calibre who request the Soviet Union to base their hopes upon their occupying the seats of government, these men who are already determined to "save their country" in time of war.

**T**HE Social-Democrats are indeed mistaken if they think we confuse them, even for a single moment, with the international working-class movement. We Communists fully realise that the proletariat is not anxious for war, but for peace. And we also realise that a large proportion of the international working class still is under the banner of Social-Democracy.

But because we realise that another August 4th will again show the treachery of Social-Democracy we shall incessantly continue our relentless, untiring campaign against these traitors.

The fraud which Social-Democrats are now trying to perpetrate is too obvious. They offer us co-operation, they make pious but hypocritical declarations about their friendship for the Russian proletariat, yet at the same time sow hatred and mistrust.

The blackguardism of the treacherous Social-Democrats of Austria has been covered by an outcry against Communists. "Disgrace on Moscow," "Eternal contempt for Bolsheviks," "Bolshevik body-snatchers," "Moscow vultures" are but a few of the



August 4th—continued

many titles or headlines employed by hysterical Social-Democratic editors to cover up the sins of their Viennese colleagues. Social-Democracy is not sowing the seed of hatred against capitalism but against Moscow.

Their chief aim at present is not the fight against the bourgeoisie, against Fascism and imperialism, but an incitement against the Soviet Republic, the defence of White Guardism, of Menshevik counter-revolutionaries and of assassins in the pay of Great Britain.

Their purpose is quite obvious. We shall not be surprised to see a universal celebration among Social-Democrats of the anniversary of their treachery in leading articles. Otto Bauer and his friends would rarely miss such an opportunity.

**T**O us Communists our way is clear. Our first duty is to fight against those who disarmed the proletariat, against those Socialist patriots hidden behind a mask of pacifism. Thus only will the proletarian ranks be purified and strengthened for their struggle against war.

We welcome all workers, all Social-Democrats who have departed from their leaders into our ranks. *The leaders of the Second International will never weaken our resistance and our struggles against them.*

August 4th will always be to us a symbol of the greatest humiliation of the international proletariat by their treacherous leaders. It will be our duty to keep alive this memory and to nurture our indignation against it, so that the anti-war struggles become both practical and effective.

The Communist International, following Lenin's directions, has put before all Communists concrete tasks for the anti-war campaign. The 4th of August was a day of inspection, when every Communist inspects his work and the work of his Party, when he tries to discover how far the work set has been accom-

plished. It will be found that an enormous task is still confronting us.

**I**T would be very dangerous to nurse an optimistic and false hope that the international working class will rise automatically against any war. The instinctive opposition to war will only find expression when Communists understand how to seize and organise it. We are, therefore, duty bound to pursue vigorously a campaign against pacifist illusions and against the traitors of the 4th of August.

But we feel confident in our power and resolution. We feel confident of the revolutionary working class, of the vanguard of the world proletariat, who after thirteen years have forgotten nothing, have learned a great deal, and have passed through the school of Leninism.

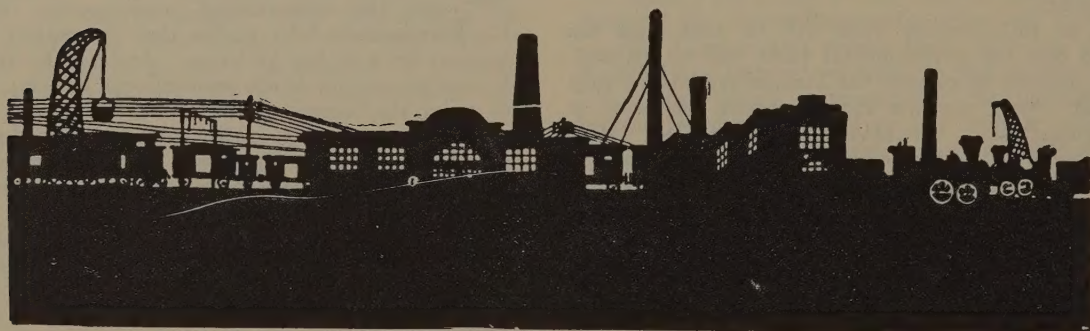
From the bankruptcy of the Second International arose the World Party, guided by Lenin. In spite of hard struggles it represents to-day the only power able to combat the war danger.

The betrayal which the reformists of the Second International are preparing for the coming war is unprecedented and worse than ever. It is treason against their own class when opposing classes face each other in open conflict. Class treachery during class war—for this the Second International is preparing ideologically. Only our work can protect the proletariat from a most ignominious defeat.

We Communists must win over on our side the majority of the workers. We must realise that every worker who blindly follows the reformists will tomorrow stand on the other side of the barricades. We must take away the workers from these traitors.

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Owing to unexplained delay in the post, some delay has occurred in publishing the above and other articles. Nevertheless, in spite of the delay, the importance of the subject is such, that the article is still as much to the point as when written.





# Vienna

"There is but one way of opposing the civil war which our enemies are now preparing. That way lies in voting for Social-Democracy."—"Arbeiter Zeitung," 24-4-27.)

"One important lesson can be drawn from the election campaign: the road we have chosen—the conquest of State power by democratic means—is shown to be absolutely possible."—(A speech by O. Bauer. "Arbeiter Zeitung," 5-5-27.)

**B**LOODY confirmation of Austro-Marxian theories: eight years of Social-Democratic administration of the municipality of Vienna, and on July 15th, 1927, hundreds of workers are shot down by the police right in front of the high citadel of Social-Democracy! With a cruelty never equalled by the police of "imperial" Vienna, the police of "Red" Vienna, the police of the Social-Democratic burgomaster Seitz, shot down defenceless workers from behind. Eight years of Social-Democratic administration, and yet it is proved possible for the police to remain the tool of reaction, the police more than 90 per cent. organised inside the free trade unions.

Our comrades, the constables, whose caps were decorated with red carnations on the 1st of May, were the pride of the Vienna working class, organised on a free and a Social-Democratic basis. When Communists were occasionally maltreated by the police a shrug of the shoulders served as the excuse. The Viennese worker trusted the police blindly, just as he trusted the burgomaster and his other Social-Democratic colleagues.

And then suddenly, expected neither by the Viennese workers, nor by the working class of the whole world, this "Red" Vienna, so proud of the least bloody of all revolutions, becomes the arena of a horrible blood-bath. Fifty years of the Austrian Labour movement, forty years of a struggle against the Hapsburg reaction and the monarchy, the days of the overthrow of 1918—all these have not cost so much workers' blood in Vienna as this one day—the 15th of July, 1927.

## The Fascist Attack

The workers of Vienna have been maliciously attacked. They have been attacked in a Fascist manner, with the consent and support not only of the Austrian bourgeoisie, but of the bourgeoisie of the entire world.

Previously Fascism could not find its place in Vienna. Austrian Fascism consists primarily of ex-officers and the reactionary peasantry. A carefully-planned agitation against the workers on the one hand, and the want of understanding of the peasant question shown by the Austrian working class on the other, have enabled Fascism and reaction to gather underneath its banner the overwhelming majority of the peasantry. These Fascist organisations prevent the growth of the Labour movement in the purely agricultural areas. They also try to intimidate the Labour movement in the towns. Five years have now passed since the Fascists, for the first time, provoked the workers by assassinating one of their trusted leaders, Birncker.

The reply of the Social-Democrats was an extension of their Defence Corps. But the Fascists were not frightened by this step, as is proved by the constantly recurring assassination of workers. Still, Social Democracy remained inactive. Only one thing it offered to the poor victims—a beautiful funeral. Ringing speeches, the playing of funeral marches, and the flourishing of trumpets by the Republican Defence Corps constituted their sole reply to Fascist provocations. And that is not all.

Social-Democracy itself is responsible for the bloodshed of the 15th of July. It has made the proletariat impotent in spirit and defenceless in practice. The triumphant processions after the recent elections were intended to instil into the workers a belief in the security of democracy, a belief that there was no likelihood of a reactionary attack upon the working class.

Probably many among the victims of the police had been Social-Democratic voters who childishly believed in the promises of Otto Bauer, Julius Deutsch and Friedrich Adler. This did not, however, protect them from being shot down by the police of a Social-Democratic burgomaster.

## Reformist Responsibility

The paralysing of the revolutionary spirit of the working class by Otto Bauer and other Austro-Marxists, the illusion concerning a peaceful building up of a "Socialist" community—these are the factors responsible for the July incidents.

Furthermore, the working classes have actually been disarmed, literally speaking. The Austrian Communists had appealed in vain to the workers: "The Fascists are ready for the fight. Get yourselves armed and disarm the reaction." The Social-Democrats did exactly the reverse. Only a few weeks ago they handed over their arms—which had remained with them since the November days of 1918—to the Government, and so, indirectly, to the Fascists. We have thus in Vienna as a result of eight years of Austro-Marxian governmental policy a moral and material disarmament of the Viennese proletariat.

Such was the preparation. And now for their stand during the incident. Burgomaster Seitz issued no single word of protest against arming the police with rifles. He only "recommended" other means. But Social-Democracy did not even stop there. By putting the Republican Defence Corps into police uniforms and marching them against the workers, Social-Democracy became the direct successor of Noske. Like Kuttner, Julius Deutsch may pride himself with having led organisations that helped to overthrow the revolutionary movement.

Such is the result of the Austro-Marxist governmental policy: moral and material disarmament, and a going over of organisations intended for the defence of the working class to serve the purpose of the bourgeoisie.

Where Communist appeals and warnings failed, the provocations of the Fascists succeeded. They roused



**Vienna—continued**

the indignation of the Viennese working class to a point of explosion. The Social-Democrats believed, even after the murder of workers in Schattendorf, that a beautiful funeral, as the saying goes in Vienna, was enough to cool the revolutionary indignation.

They were mistaken. The Schattendorf murder trial, which was accompanied by fresh Fascist provocations, showed the workers that the Government was willing openly to acknowledge Fascism. While the Attorney-General in court was trying to put the blame of the murder on to the murdered workers, Viennese Fascists made fresh attacks upon Labour organisations in the immediate neighbourhood. And the Social-Democrats issued "warnings" against provocations.

As recently as the 13th of July the "Arbeiter Zeitung" spoke about provocateurs who were committing unconsidered acts. On the 13th of July Social-Democrats were still fooling themselves into a belief that the workers' indignation was not in earnest. When, however, on the following day the release of the assassins became known, then even the sugary leading articles of Austerlitz were unable to calm the workers.

The demonstration of the workers in the streets was of a spontaneous nature, as on the 1st December, 1921, when the Government doubled the price of bread overnight. As at that time, the unions were amazed at the suddenness of the strike and the spontaneity of the demonstration. There had been no attempt at organising a public demonstration, and yet, as if from nowhere, came hundreds of thousands of Vienna's proletariat and gathered outside Parliament, the very heart of the city.

**1921 and 1927**

How different was this demonstration of protest from that of 1921, when Seipel's policy of stabilisation was born. The indignation of the demonstrators was then directed against those battenning on the misery of the masses; the Hotels de Luxe, the luxury shops in the Ringstrasse and in the Kaitnerstrasse, were destroyed. Stones were thrown into the mirrors of cafés, where the idle sons of the bourgeoisie were making themselves comfortable.

But this time the workers never came near the bourgeois quarters. They did not smash windows but directed their storms of protest against the centre of reaction, of Fascism, against the University, Parliament and the Palace of Justice. At the University and the Parliamentary building the masses were forced to retreat by the police, who attacked them with drawn swords. The Palace of Justice was made the victim of their indignation. There, where otherwise only judges in scarlet robes stroll about, the workers forced their way in, threw documents into the streets, and made a bonfire, which symbolised the destruction of class justice.

Yet another difference. When on a dull afternoon in December, 1921, hundreds of thousands from the factories, and hungry wives of the workers and the unemployed, were gathering in the city, the police sneaked off into their mouseholes. Not a single shot was fired.

Five and a half years later the police fire at the crowd; they do not shoot in one direction but everywhere, wherever even small groups of workers are assembling. The workers, however, do not disperse, but try to offer resistance against the police attack in every possible manner. Barricades, disarming of individual police groups, even an attempt to liberate prisoners and to occupy police stations, characterise the will to fight of the workers. They demand an active resistance, they call for arms—but Social-Democracy has seen to it that they are defenceless.

Between 1921 and 1927 lies the period of stabilisation. The sacrifices and the sufferings of the working class on account of this stabilisation can well be imagined when it is realised that they are ready to face, unarmed, the bullets of the police.

**Betrayed by Bauer**

At the special delegate conference of the Social-Democratic Party on the 17th July, which was intended to throttle the whole movement, Otto Bauer himself could hardly make clear what Social-Democracy wants. He said:

"The call 'Give us arms,' which representatives of the workers have heard everywhere, is humanly very reasonable. I must justify myself before you for our lack of resolve in not trying to arm, in a disorderly and irregular way, the wildly excited proletarian masses."

Indeed, why not? That would have led to civil war. And a delegate, an old soldier, replies:

"I have been four years in the trenches and one year a prisoner, yet never did I weep. But when I saw how we faced the police unarmed I wept bitterly."

These Social-Democrats wept because their leaders gave them no arms. Surely not all? Many understood the Communist call for arms and followed it.

The tragedy of the Austrian Labour movement, which came out clearly in the intense outbreak of revolutionary passion during the July days, is the fact that the revolutionary Austrian working class has been taken in—until to-day—by the left wing phrases of the Social-Democrats. The Social-Democrats have hitherto understood how to give the workers playthings to divert them from their fight. Charity from the Vienna City Council instead of the class war, a policy of "tips" instead of expropriations, Republican Defence Corps instead of arming the workers, funerals instead of measures for defence—that is the practice of Austro-Marxism.

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**Vienna—continued**

The companion picture to Austro-Marxism is the absence of a Communist mass party in Austria. The Communists have so far failed to secure that position among the workers which the Communists of other countries have gained by fighting. Their weakness, arising from the peculiar situation in Austria, is another reason for the lack of leadership of the Austrian working class during the July troubles.

**Weakness of the C.P.**

Nevertheless, the Communists of Austria have carried out a correct policy. They introduced the slogans of "Arm the proletariat in the struggle against Fascism!" and "Overthrow the bourgeois Government!" They did all in their power, but they were not strong enough to break down the Social-Democratic influence.

The weakness of the Communist movement enabled the Government to force the Social-Democrats to an unconditional surrender. The Social-Democrats were not afraid of losing their leadership of the working-class movement to the Communists, who had to face the fire of the combined attack of Social-Democracy and the bourgeoisie. Therefore they surrendered. They sent back the workers into the factories without even having obtained the smallest concessions.

The working class will never forget these days. Within the coming weeks and months they will face the same question as on the 15th of July. Will they allow themselves to be shot down, unarmed and unled, by Schober's and Seitz's Guards, or will they arm and defend themselves under revolutionary leadership?

Under these circumstances enormous tasks and possibilities arise for the work of the Communist Party. It must now take over the leadership of the masses, because it alone foresaw the need for, the inevitability of the conflict.

We know that at present all the fury of the Social-Democrats and of the bourgeoisie is directed against us. The Austrian Communist Party and the Communist International are being made responsible for the crimes of Social-Democracy. Political emigrants and left wing students from countries of the White terror are being made the first victims of the police terror.

**Social Democrats will join Communist Hunt**

As in 1919, when the Austrian Communists fought for active solidarity with the Hungarian and Bavarian Soviet republics, so to-day Fritz Adler will assuredly give out the watchword: "No mercy for the Communists." It was this watchword for which young Viennese proletarians gave their lives on the 15th June, 1919.

We do not know what Austro-Marxism will try to do now. It has but one prospect: participation in the Government. It has but one aim: the peaceful conquest of the State power.

The police of Vienna have given a set-back to the workers' attack. In a sanguinary way they have tried to stifle the workers' indignation against Fascism and class justice. But the radicalism of the Viennese

workers cannot be wiped out by the dum-dum bullets of the police, just as it could not be wiped out by the methods of Bauer and Seitz.

**The Future**

As an immediate result of these incidents Communists, not only of Vienna but of the whole of Central Europe may expect renewed repression. Communists, however, realise that they alone gave to the workers a definite lead. Communism alone is able to offer the workers a better future.

The Communists stood the acid test in Vienna. A definite task awaits them now: not to allow the indignation of the masses to evaporate, but to exploit it by grouping the masses under revolutionary leadership.

The fallen are now lying in their graves. The shooting of the police has ceased. Members of the Republican Defence Corps still wear their police uniforms, but for the time being they have completed their work of stifling the class movement. The factories are at work, the tramways are running again.

How the Social-Democrats would like to convince the workers that all the recent events were but a nightmare! But the workers are not conquered. To-morrow the indignation may break out again, when class justice takes its revenge on those arrested on the 15th July. The Fascists will become still more impudent, because they know that the Republican Defence Corps is on their side in the struggle for the suppression of the working class under the dictatorship of the bourgeoisie.

But the workers, who built barricades in the streets of Vienna, who defended themselves against the police attack with desperate strength have in this way commenced a new epoch of the revolutionary campaign, not only in Austria but throughout Central Europe.

It is our duty to bring about a final breakdown of the International of Social-Democracy by utilising the July struggles, in which the model party of the Second International delivered the workers to the hands of the butchers. Our Austrian Party, which began the fight successfully in these difficult days, will continue it with the assistance of the whole Communist International. The epoch which began in the July days will be an epoch of heavy struggles. This time the Communists will see to it that the working class is armed.

*The Weekly Paper for All  
Communists*

**WORKERS' LIFE**

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# Mussolini's Labour "Charter"

Jules Humbert-Droz

**W**HEN our Italian Communist comrades assert that the proletariat of Italy is still hostile to Mussolini's regime, in spite of Fascist trade union demagoguery and formidable pressure on the part of the Government, many comrades think that the Italian Communist Party under-estimates the position acquired by Fascism among the toiling masses. They think that, although a heroic revolutionary minority is still loyal to the class struggle, the mass of the workers, demoralised by reaction, abandoned and betrayed by the reformists, have been captured by Fascist theories about the "corporate State," and class collaboration, and have definitely joined the corporations.

Italian imperialism is economically unable to create and bribe a labour aristocracy, and the experiment with the corporations has proved a lamentable failure. The speeches made recently by Mussolini confirm this failure. But before quoting his admission it is necessary to throw light on the fraudulent character of the Fascist labour legislation.

On April 21st, the anniversary of the foundation of Rome (which in Italy takes the place of May Day and is a national labour festival), the Fascist Council published, with the flourish of trumpets which accompanies all its actions, a "great labour charter," the gift of the reactionary Italian bourgeois State to the working class.

This "Magna Charta" is an article for export intended to represent to the public opinion of the world the Fascist regime as a benefactor of the working class and to throw the deceptive cloak of labour protection over the renewed offensive of the employers.

## The Workers not Deceived

In Italy this gesture, worthy of a mountebank, had no effect on the working class. It coincided exactly with the economic crisis which, aggravated by the revaluation of the lira, increased unemployment in the main industries of the country (textile, automobile) at a time when the employers were launching another offensive against wages under the pretext that the revaluation of the lira must bring about a reduction of prices and a corresponding reduction of wages. However, the purchasing capacity of the lira after its revaluation has not increased to an appreciable extent on the home market, and the price reductions imposed on small traders by decree and threats of deportation are certainly not commensurate with the wage reductions. The Fascists who impose price reductions on small traders, at the same time empower landlords to exact rent five times as high as that of 1914, which, of course, has led to a considerable rent increase.

Just at the moment when the employers' offensive against wages was at its height, and the State was delivering householders to the rapacity of landlords, the "Magna Charta" was proclaimed. The Italian workers have not been deceived by it. Fierce strikes broke out just at that time, in spite of brutal police repression.

The text of the "Magna Charta" should be analysed

in the light of the general theories and practice of Fascist trade unionism. The entire structure depends on the principle of class collaboration. The function of the fascist corporations, which amalgamate in one and the same State organism workers' and employers' trade unions, is to "co-ordinate" and "to bring into harmony" the interests of exploiters and exploited. But a grandiloquent assertion of class solidarity in production is as little able to suppress the ever-recurring fact of conflicts and of class struggle, as castor oil or any other drug; so the fascist regime has made the State, in the shape of the Ministry of Corporations, the arbiter between exploiter and exploited. This arbiter is far from being impartial; the State is never above the classes and their interests, it is always the tool and weapon of one class, and the fascist State is the brutal dictatorial weapon of the big Italian bourgeoisie.

## To Continue Workers' Slavery

The provisions of the "Magna Charta" which deal with the role of the corporate State as regulator of national production, and as arbiter between employers and workers, are aimed only at perpetuating by legislation the subordination of the working class to the big capitalists of the country and through them to British and American finance capital whose investments in Italy are continually increasing.

The bourgeois and Social Democratic papers frequently indulge in superficial comparisons between the methods of fascist and Bolshevik dictatorship. Such comparisons find an echo even in our ranks. It is said that Mussolini applies, for the benefit of the bourgeoisie, the methods of government which the Bolsheviks apply for the working class. There is nothing more erroneous than such a comparison. The very fact that the class character of the State is different, that in Italy it is at the service of a minority of exploiters against the mass of the workers—a state of things necessitated by the very process of production—and in the U.S.S.R. at the service of the whole of the workers against a minority of exploiters (who have been driven out of the process of production and of whom there are left only a few remnants destined to disappear with the construction of the socialist regime) shows that the methods of dictatorship are totally different.

## Proletarian and Fascist Dictatorship

Fascist dictatorship reckons on the co-existence of classes and endeavours to subject the most numerous class to the increased exploitation of a minority, whereas proletarian dictatorship aims at the disappearance of the last vestige of the capitalist class. This fundamental difference finds expression in the relations between the State and the government party. In the U.S.S.R. the Party of the proletariat, the Communist Party, and the organisations of the working class exercise direct control over the State. Through its organisations the pro-



**Mussolini's Labour Charter**—continued

proletariat controls the State for its own benefit. The Central Committee of the Party issues political directions to the government, the labour unions appoint the People's Commissar for Labour. It is from the bottom, from the masses, via organisations democratically elected by the working class, that the dictatorship of the proletariat is exercised.

Exactly the contrary is the case in the Fascist regime. After its advent to power the Fascist party went through a process of evolution: the State apparatus became a brutal organ of the big bourgeoisie and the Fascist party a demagogic organisation at the service of the State apparatus.

**Class Basis of Fascism**

The Fascist party has among its members many office workers and peasants, and a certain number of manual workers, and it is far from homogeneous from the social standpoint. In times of economic crisis, this lack of homogeneity finds an outlet in divergent political tendencies within the Fascist organisations. That is why the capitalist State, far from being controlled and guided by the Fascist party, is itself controlling and guiding the Party and the Fascist trade unions. It is the organs of the State, the prefects, the podestas, who intervene in the internal life of the Fascist party and who settle all conflicts within it. It is the organs of the State which appoint the leaders of the trade union movement and even the secretaries of the Party.

In one of his recent speeches, Mussolini reminded active members of his party of this subordinate role in regard to the State. Just as the general secretary of the Party, said he, comes every day to me, the head of the government, for orders for the Party, the Federal secretaries of the Party must take their orders from the prefects and the local secretaries of the podestas.

The Fascist trade unions are built up on the same system: no life at the base, no internal democracy, no opportunity for the rank and file to express their will and stand up for their interests. While in the U.S.S.R. the trade unions appoint the People's Commissar for Labour, in Italy the Ministry of Corporations appoints the Executive of the trade unions, and the prefects, podestas and official government organisations appoint the local leaders of the trade union movement. Thus, the corporative State can on no account represent the interests of the mass of organised workers. The State is in the hands of the capitalist minority. The Fascist party and the corporations are means for the regimentation of the masses, they are organs of the capitalist State for the perpetuation and increase of exploitation.

**Growth of Repression**

This fundamental difference leads to opposite results. While in the U.S.S.R., after 10 years of power, the dictatorship of the proletariat has resulted in a regime of broad proletarian democracy which ensures ever-growing participation of the masses in public life and encourages everywhere initiative from the bottom, in Fascist Italy repressive measures and oppression of the mass of workers and peasants by the State machine increase from year to year, making it impossible for the masses to make themselves heard.

One should never forget these elementary truths when embarking on a study of the demagogic doctrines of Fascism.

Article 1 of the "Magna Charta" declares, in the florid style of the Duce, that **moral, political and economic unity** of the Italian nation is realised to the full in the Fascist State.

The second article declares that **labour in every shape or form is a social duty**. This declaration, which is so greatly admired by the reformists, is utterly meaningless, since **shareholders are included into the ranks of workers**.

Article 3 deals with trade union freedom:

Professional and trade union organisation is free. However, only trade unions recognised by law and subordinated to State control have the right legally to represent the bodies of employers and workers for whom they have been constituted, to protect their interests in regard to the State and to other professional associations, to conclude labour contracts obligatory for all the members of these categories, to impose membership dues on them and to exercise on their behalf functions dictated by public interest.

This article confirms the law which establishes the monopoly of the Fascist trade unions and makes illegal all other trade union organisations. This shows what is meant by "trade union freedom" to which this article is supposed to be devoted.

**Class "Collaboration"**

The following articles, from 5 to 10, lay down the basis for class collaboration under the tutelage of the Fascist State—obligatory collective agreements, a labour magistracy, corporations—all organs of the State. The corporative State recognises private initiative as the most useful instrument in the interests of the nation.

Article 2, paragraphs 11 to 21, deals with compulsory labour contracts, wages, Sunday rest, annual holiday with full pay, breaches of discipline, etc. The "Magna Charta" does not give anything new in regard to all these points; it only registers things which the working class has obtained by dint of hard struggle, of which Mussolini's regime has not yet succeeded in depriving it. But real gems have slipped into these paragraphs which give an illustration of the true character of this law.

There is first an assurance that workers will always be provided automatically with the best possible wage:

12. Trade union action, conciliatory work on the part of corporation organs and final decision by labour magistrates provide a guarantee that wages will be commensurate with the normal exigencies of life, with the possibilities of industry and the returns from labour.

Then there is the Fascist interpretation of class solidarity:

13. The consequences of the industrial crisis and financial phenomena will have to be distributed among all the factors of production.

Thus, all exchange fluctuations, regardless of the price index, and all industrial crises will have a direct repercussion on the workers' wages, but, of course, the "Magna Charta" ignores the fact that the profits of a period of industrial prosperity will not be distributed among all the factors of production.

Paragraph 15 institutes Sunday rest, but with reservations which may have dire results.



**Mussolini's Labour Charter**—continued

Collective agreements will apply the principle but will take into consideration existing laws, and technical exigencies, ensuring that, within such limits, religious and State festivals shall be observed, etc.

Paragraph 19 deals with breaches of labour discipline:

Breaches of discipline and actions by the workers likely to interfere with the normal work of the enterprise are punished, according to the seriousness of the offence, by fines, suspension from work, and in serious cases, by immediate dismissal without compensation.

Paragraphs 22 to 25 lay down the State's sole control over unemployment and make provision for the establishment of official employment bureaux, making it incumbent on employers to give precedence to Fascists:

Employers are under the obligation to engage only workers registered by employment bureaux. They have the right to make their selection from the list of registered workers, but must engage those who are members of the Party and of Fascist trade unions, selecting those who have been longest organised.

Can anything more cynical be found than this declaration that workers have no right to eat unless they sell themselves to Mussolini?

The last article deals with social insurance (paragraphs 26 to 30), and merely declares that the principle of class collaboration demands that the workers shall pay their share to the insurance fund. It also makes a few vague promises:

The Fascist State contemplates improving insurance against accidents, maternity insurance, etc.

**A Fraud**

Not a word about the eight-hour day!

There is nothing in this that the Italian working class has not already gained by its own efforts, whereas in regard to many points the Charter abolishes already acquired rights. It is a huge fraud practised on public opinion throughout the world, it is one more chain to fetter the Italian proletariat.

We can afford to ignore renegades of the type of Ferri and Rigola who greeted the Magna Charta as an event as important as the discovery of America; ridicule has killed them already.

We will only quote two authoritative opinions: that of the Amsterdam International and that of Social Democracy, in order to expose the complete failure of reformism even in the face of Fascism.

This is what a reformist, well-versed in Italian matters, who hides behind the nom de plume "Italicus," has to say in "Arbeit," (May number, 1927), the trade union review of the German unions, published under the management of Leipart:

Many points contained in the Labour Charter form already part of the legislation of other countries and also part of Article 13 of the Versailles Treaty. Many have already been demanded in previous decisions of the Trade Union International and in the decisions of the Italian General Confederation of Labour. . . .

But—everyone must admit this—the real meaning of this Labour Charta is that a government has at last accepted and is endeavouring to codify many of the demands which labour organisations have hitherto brought forward in vain:

Trade unions which first of all were persecuted and then tolerated are now a legal institution. Collective agree-

ments are obligatory, arbitration tribunals and labour tribunals are now State institutions. In regard to social insurance, principles are established which every trade unionist cannot but welcome.

If apart from the one-sided point of view of workers' interests, we consider it from the point of view of the general problem of production, we must also admit progress.

The individual is no longer considered only as citizen, but also as a producer. **The organisation of production is no longer considered as a pure private undertaking, but as a function of national interest.** That is why provision is made not only for the intervention of the State in conflicts between capital and labour, but the State is also empowered, when private initiative fails or when political interests are at stake, to supplement private initiative by its own initiative and even to take the management of the enterprise into its own hands.

These quotations require no comment. "Italicus" follows in the footsteps of D'Aragona, Rigola and other lackeys of Mussolini. To him words have no class meaning. He speaks of the State as of an entity above all classes, and of the trade unions without differentiating between the class trade unions which have been suppressed, and the Fascist trade unions which are organs of the capitalist State.

These details have escaped the attention not only of "Italicus" but also of Leipart and the Executive of the German trade unions who publish without comment literature of this kind which seeks to effect a reconciliation between Amsterdam and the Fascist trade unions.

**Complimented by Thomas**

Another and no less authoritative mouthpiece of the Second International arrives at the same conclusions. I mean Albert Thomas, director of the International Labour Office, who had himself interviewed on the "Magna Charta" by the "Giornale d'Italia" of April 29. He declares:

I want to point out that a considerable number of rights proclaimed on April 21st are identical with those of our labour charter.

I want, for instance, to point out that in regard to prevention of strikes, insurance against accidents and maternity insurance, social welfare in general, a certain number of legislative principles such as Sunday rest, and finally in regard to the general policy of collective agreements, it is in absolute conformity with our Labour Charter. In fact, there is a true coincidence, which I wish to emphasise, between our own and the Italian Labour Charter.

But Albert Thomas, intent on being complimentary, goes even further. He asserts that the Fascist Charter goes further than the Charter of the League of Nations, which certainly is a proof of the reactionary and illusory character of the latter. He says:

Rossini will certainly point out to me that on a number of points the Italian Labour Charter goes even further, and he will be right. It contains in fact new points in which I personally take a great interest. I reiterate, there are in your Labour Charter a certain number of principles which go further than our own Charter.

What are these new points in which the director of the I.L.O. and the Councillor of the Amsterdam International takes so much interest? They are, of course, the methods intended to throttle strikes and to deliver the working class into the hands of the employers:

But what I want particularly to say here—and it is a matter to which I attach great importance—is, that even under a regime of complete freedom, as interpreted by the opponents of Fascism, hardly anyone could reject the idea



## Mussolini's Labour Charter—continued

of trying to find means for the prevention of collective labour conflicts by collective measures, hardly anyone could refuse to look for measures capable of preventing disorderly conflicts.

I am even prepared to say that in the course of the last few years various efforts have been made in order to introduce principles of conciliation and arbitration into legislation. These efforts indicate a quasi-universal desire. Italy has now made a concrete statement on this point and I think that this is another interesting matter in connection with the Labour Charter.

This is how reformists go into Mussolini's school in order to learn how to strangle strikes and avoid conflicts with the employers.

In another place Albert Thomas compares the "barbarous and brutal" methods by which the Bolsheviks apply the principle of compulsory labour with the elegant manner in which Mussolini has laid down the principle in his Charter.

Compulsory Labour. When I came here towards 1920, this idea was accepted on an international scale. I remember well that at several conferences I myself pointed out that in modern post-war society it was necessary to lay stress on the obligation of labour for every individual, on everyone's obligation to do his or her little bit as a contribution to collective productive activity. The Bolsheviks did this in a barbarous and brutal manner. There was another attempt in this direction: compulsory service in Bulgaria. I do not say that a fixed definition of this is an organic part of the Labour Charter. But the fact that it should be mentioned there is certainly interesting.

This complimentary tone is maintained throughout the interview. Albert Thomas even asserts that he himself advised Mussolini to play the role of protector of the workers before the international public.

Something which I never ceased suggesting to Mussolini is that it is as well to indicate to the world at large that in Italy social progress is desired and that there is no idea of reaction there.

## One "Criticism"

It is certainly a fact that in the art of hypocrisy and knavery only Social Democrats of the type of Albert Thomas can teach anything to Mussolini.

There is only one thing which Thomas criticised in the Charter. He does not understand, neither does he endeavour to explain, the total absence of any mention of the eight-hour day! And then he expounds on the difference of doctrines.

The difference between the doctrines is as follows. On the one hand, efforts to obtain good labour conditions through the authority of the State, imposing them on all in the name of duty, which is the same for employers and employed; on the other hand, confidence in freedom and liberty and in the free play of forces in accordance with the educational character of the organisations without any consecration on the part of the State.

Having thus expressed his conviction that the regime of castor oil, assassination and brutal suppression of labour organisations and of the labour press aims at "obtaining good conditions of labour," Thomas goes on to say:

I am ready to admit that at the present juncture one can obtain a good many results by the Italian method.

It would be waste of time to comment at any length on these assertions of the authorised representatives of international reformism. Class collaboration ends in collaboration with Mussolini; in order to deceive the international working class in regard to the real role of Fascism, Albert Thomas invests Mussolini with the mask of "social progress"! Such zeal will only make rank and file Social Democrats understand all the better the true character of the policy of their leaders and of the Labour Charter of the League of Nations. We have it now from the lips of Albert Thomas that Mussolini is in the vanguard.

## Mussolini and the Town Worker

In view of these sickly compliments it is interesting to know what Mussolini himself thinks of his trade union work and of the results of his desperate attempts to capture the proletariat for the Fascist regime.

On May 26, he made a great speech in the Italian Chamber reviewing the most important problems of the regime. In a few sentences he indicated the complete failure of Fascist trade unionism.

The trade unions are getting on all right. Nevertheless one should not indulge in excessive illusions in regard to the so-called urban proletariat. It still keeps away to a great extent and although it is not as hostile as it was some time ago, it is conspicuous by its absence. It is evident that we must depend for help on the inevitable laws of life. The generation of those who cannot be led, of those who have not understood the war and Fascism will be eliminated at a certain moment by the law of nature. The young will rise—the workers and peasants whom we recruit among the "ballila" [Fascist Pioneers], and among the Fascist youth.

This is the most eloquent admission of the failure of the entire Fascist trade union demagogy. The trade unions are getting on all right, but the urban proletariat, although not hostile, is conspicuous by its absence and Mussolini has lost all hope of capturing this generation of fractious workers who have been opponents of war and Fascism and who are still the revolutionary proletariat. He depends on the laws of nature, on time, which renews generations, in order to free the Fascist regime from the revolutionary Italian proletariat. He depends on the generation of school children which is compelled to join the ballila in order to form a new Fascist proletarian generation. But the education of the workers and their sons by social life itself, by capitalist misery and exploitation is more effective than the Fascist education of the ballila. Fascism has not captured and will not capture the proletariat of Italy. It is this failure of Fascism among the workers which explains the Duce's horror of big industrial towns. He said in the same speech when dealing with the demographic problem:

## Failure of Fascism

There is a type of urbanism which is destructive, which sterilises the people, I mean industrial urbanism. When I speak of the agrarianisation of Italy, you think that I do it because I love fine phraseology which I really detest. If you think so you are mistaken. I am the doctor who does not neglect symptoms, and here we have symptoms which are food for serious thought. . . . You will henceforth understand that I am helping agriculture and that I have become a convert to ruralism. You will understand why I do not want any industries in the vicinity of Rome; you will understand why I tolerate in Italy only healthy industries, that is to say industries the basis of which is agriculture and the sea.



**Mussolini's Labour Charter**—continued

The failure of Fascism in the working class which, according to Mussolini, is complete and irretrievable—and this two months after the proclamation of the "Magna Charta"—is exemplified in Italy itself by the illegal existence and activity of our Communist Party and of the General Confederation of Labour.

"Unità," the illegal official organ of our Party, is published regularly once a fortnight and its sale is 35,000 copies a fortnight, much below the demand for it in the factories. Since its prohibition it has more than doubled its sales in Milan.

"Battaglie Sindacali," the illegal organ of the reconstructed Italian C.G.I.L. is published once a month, its sale being 30,000 copies.

Not a single week passes without thousands of illegal papers and pamphlets being distributed or sold in the factories. The mass of the workers help our Party ap-

paratus in this work. The fact that this is possible under a terrorist regime such as that of Mussolini, shows that the entire working class is in sympathy with our Party, and is prepared to identify itself with its illegal action.

Mussolini has admitted the magnitude of the failure of the Fascist trade unions. These few facts gleaned on the other side of the barricade, are a proof to us that there the working class is not conspicuous by its absence, as asserted by Mussolini, but is on the contrary rallying its forces around its only Party and its old General Confederation of Labour which has become again revolutionary through the desertion and treachery of the reformist leaders.

Fascism has transformed the generation unwilling to be led into a generation of revolutionaries which will not wait for the play of the laws of nature in order to get rid of Mussolini and his regime.

# Private Capital in the Economic Life of the Soviet Union

A. Rosenthal

**T**HE distinguishing features of our economic life, which is in transition from capitalism towards Socialism, inevitably bring to the forefront in any analysis the problem of private capital, as a general problem of Soviet economic policy. As our Government and the co-operatives were not able (in this backward country where the bulk of the population consists of peasants) to cover the whole field of commerce and industry, private capital was admitted to "collaborate" with the workers and peasants in our economic life. It was not slow to develop great energy from the first year of the New Economic Policy. Spreading out under conditions of freedom of the market, not easily accessible to control or regulation, private capital started at once to carry on a bitter struggle against the Socialist elements in the economics of the Union.

It could not, of course, have been otherwise. Capitalism and Socialism are systems which cannot co-exist except to a certain degree, up to a certain point and during a limited period of time. During their evolution one of these two economic forms, so essentially different, is bound to supplant the other. The struggle between Socialism and capitalism is (since the victory of the proletariat in the civil war and the adoption of the N.E.P.) essentially an economic rivalry between the two systems, the capitalist system and the Socialist.

The peasant class, whose economic position is that of simple producers of goods, form the basic mass of the population of the Soviet Union. In what direction will the peasantry develop? Whom will it follow? This is the primary question which, in the end, will decide the fate of the Soviet Union, the fate of Socialism or capitalism.

## Towards Socialism?

Two ways are open before these producers: the capitalist or the non-capitalist ways of development. It is possible for small-scale production to take the path towards Socialism, passing over the stage of capitalism, so long as political power and control over economic affairs are in the hands of the working class. But at the same time, owing to the freedom of exchange and the existence of private capital and of conditions suiting it, trade exudes a sweat of capitalism from all its pores and gives birth to capitalist relations in production.

On the one hand trade, fusing its economic activity with State industry—of which it undergoes the influence and follows the lead—moves through co-operation, mechanisation and electrification towards Socialism. But on the other hand trade clings to private capital, and forms a fertile field for its maintenance and growth.

Which way will be taken by the simple trading concerns of the U.S.S.R.? Towards capitalism or Socialism?

An eloquent reply can already be given to this question by the figures.

Commerce is the main field of activity for private capital in the U.S.S.R. Not wanting to embarrass itself with heavy obligations, private capital flung itself first into the field that promised it the biggest profits and—owing to the dearth of goods—offered it the chance to speculate and make easy money.

The importance of private capital can be judged from the figures for commercial dealings from the beginning of the N.E.P. Between 1920 and 1924 it increased until 21.8 per cent. of all wholesale trade was in the hands of private capital, 58.6 per cent. of retail trade, and 40.8 per cent. of all trade totalled.



## I.—WHOLESALE TRADE IN MILLION CHERVONETZ

Year ending...	1924	%	1925	%	1926	%	1927	%
State ... ..	2,459	52.1	3,500	51.5	5,100	48.6	6,304	49
Co-operative ... ..	1,235	26.1	2,651	39	4,382	41.2	5,406	42
Private ... ..	1,030	21.8	644	9.5	981	9.4	1,159	9

## II.—RETAIL TRADE IN MILLION CHERVONETZ

Year ending...	1924	%	1925	%	1926	%	1927	%
State ... ..	566	11.3	1,355	19.6	1,784	17.5	1,992	17
Co-operative ... ..	1,515	30.1	2,486	36.1	4,370	43.2	5,452	47.5
Private ... ..	2,946	58.6	3,056	44.3	3,879	39.3	4,087	35.5

## III.—TOTAL TRADE OF THE SOVIET UNION IN MILLION CHERVONETZ

Year ending...	1924	%	1925	%	1926	%	1927	%
State ... ..	3,025	31	4,855	35.5	6,954	35	8,296	39
Co-operative ... ..	2,750	28.2	5,137	37.5	8,654	43	10,858	44
Private ... ..	3,976	40.8	3,700	27	4,860	24	5,296	22

But the three last years have brought noticeable changes in the part played by, and importance of, private capital in the circulation of goods. We have seen, above all, the eviction of private capital from wholesale trade, and we can see the influence of the trade unions and of the co-operatives from year to year. Furthermore, the sale to individuals of stocks from State trading concerns fell from 16 per cent. in 1923-24 to between 8 and 9 per cent. in 1925-26.

Tables I to III given above show the importance of each of the various forms of economic life in the circulation of goods. The first columns are millions of chervonetz roubles (£1 equals about 9½ chervonetz). So that, after having over 40 per cent. of all the trade in 1923-24, private capital has been reduced by 1926-27 to 22 per cent. The fact that private capital still takes a very considerable proportion of retail trade is explained by the inability of State and co-operative trading organisations to take hold of the fine-drawn and complicated threads of village trading.

Nevertheless, it has got to be stated as undoubtable and absolutely proved that private capital is being progressively evicted even from its main citadel of trade; it is giving place to State stores, and particularly to co-operative organisations. On the "commercial front" private capital is steadily abandoning its positions one after the other before the offensive of the Socialist forces.

At the same time private capital is being driven steadily and without interruption, out of the field of purchase of agricultural products. This process is particularly striking in the accumulation of stocks of grain. While during 1924-25 the organisations buying on behalf of the State increased their percentage from 52 per cent. to 66 per cent. of the total, the amount going through private hands fell in the same proportion.

## Trade in Grain

Private traders in this field are not included in the economic plan. Some of the organisations (including many, but not all, of the co-operatives) that actually bought grain were also not allowed for in the plan. The following figures give the relative amounts purchased:

	Included in Govt. plan	Organisations not included	Private traders
1924-25 ...	62.2%	12.6%	25.2%
1925-26 ...	68.3%	10.6%	21.1%

In other words the relative importance of private approvisionnement has fallen by over 16 per cent. of its 1924 level.

So even in this field, which needs particular flexibility and mobility, private capital has not been able to stand up to its competitors, and has found itself forced to fall back and give place to the forces of Socialism.

In industry private capital has played an insignificant part. A very important point is that private capital in industry has been concentrated in a few branches of small industry, producing goods for personal use or consumption. In the inquiry of 1925 it was found that private capital controlled the following percentages of the industries named:

Clothing... ..	6.1%	Metal ... ..	1.1%
Food ... ..	5.4%	Chemicals ... ..	0.9%
Leather ... ..	4.7%	Electrical ... ..	0.3%
Printing... ..	3.7%	Textiles ... ..	0.3%

Private industry is thus conceded a secondary role, purely auxiliary, and does not threaten to become even a serious competitor.

At the same time, private capital, carefully keeping to the branches of industry where it has less chance of being smashed by State industry, is being little by little forced out of the position it once held in this domain. This change can be seen most easily in the figures for gross production.

The gross value of all controlled production is given in pre-war prices and pre-war roubles to make an actual comparison possible despite the changes in price levels from year to year:

## GROSS VALUE OF ALL CONTROLLED PRODUCTION

(In millions of roubles, pre-war prices)

Year ending	State	%	Co-op.	%	Private	%
1924 ...	2,383	90.7	108	4.1	136	5.2
1925 ...	3,740	92	154	3.8	167	4.2
1926 ...	5,309	91.6	247	4.3	241	4.1
1927 ...	6,095	91.8	275	4.1	270	4.1

The "private" figures include the products of concessions leased to foreign firms.

A fact which is worth underlining is that this increase of the relative strength of State industry has



**Private Capital in Economic Life of U.S.S.R.—contd.**

coincided with a general revival of industry. But while the gross production of State and co-operative industry has increased by 156 per cent., the gross production of capitalist industry has only increased by 98 per cent.

In petty industry, which is not controlled, the relative importance of private capital is increasing considerably.

In 1925 this was as follows:

**PRODUCTION IN SMALL INDUSTRY**

(In millions of roubles)

Socialist (State and co-ops.)	66.6	...	10.14%
Capitalist ... ..	166.5	...	17.72%
Handicraft, peasant, etc.	474.1	...	72.14%

Although private capital plays a larger part in petty industry (not controlled) than in large-scale industry (controlled), handicraft and peasant industry produces four times more than it does. And also the part played in petty industry by private capital seems small when compared with the whole of the economic life of the country: petty industry in all its branches did not produce more than 19.4 per cent. of the total production of goods in 1924-25, while in 1926-27 the proportion falling to petty industry had gone down to 15.5 per cent.

Thus the last three years show clearly that competition is showing the advantages of Socialist production (*i.e.*, production by the Government and the co-operators) which is pitilessly encroaching year by year on the capitalist sector and forcing capitalist production to abandon progressively all its positions.

In communal affairs private capital plays a relatively large part. According to the figures given by the Housing Section of the Commissariat for Home Affairs, it is estimated that in the towns the number of buildings owned by private individuals is over 2 millions, with a total area of over 200,000 acres. The capital invested in these buildings, reckoned at more than 4,000 million roubles, is not used for commercial ends, but for "direct consumption." The same applies to the new buildings being put up by private capital, of which 99 per cent. are single houses solely intended for the personal occupation of the builder.

The problem of private capital in the national economic life of the Soviet Union never for an instant loses its quality of actuality. In the struggle for Socialism, the struggle for influence over the peasantry, an implacable fight is being waged between the two social aspects of our economic system. But it is becoming more and more clear that in this fight victory is assured to the Socialist sector, to the Socialist method and economic system. On all the most important strategic points of the economic front, in industry and in trade, private capital is finding itself forced to give ground incessantly, to give way to our Socialist economic forces, which grow and strengthen.

Socialism will conquer in this fight, so long as our peaceful work in the building of Socialism is not troubled by an aggression of the watchdogs of imperialism, so long as the criminal intrigues of imperialism do not force us to leave the peaceful task of transition towards Socialism in order to defend our Socialist country against an armed attack, to abandon the peasant's plough, the worker's hammer, for the rifle.

**Back to the 4th August**

**SOCIALISM IS PEACE, CAPITALISM IS WAR. ON REALIST PACIFISM.** By Paul Levi. (Publisher and date not given.)

**T**HE organ edited by Paul Levi is notoriously a cess-pool of everything that is "left wing" in the German Social-Democratic Party. It combines a sense of loyalty and obedience to the Party executive on any vital issue affecting the German working class, with a left wing phraseology calculated to hurt no one, and which nobody would ever take seriously.

Paul Levi's critical gaze never fails to notice any issue, and no single opportunity is ever missed by him for advocating his own particular brand of Socialism. Perhaps it was this urge that enabled this little pamphlet to see the light of the day.

Let us now look at the proposals put forward by Levi (the true heir of R. Luxemburg's spirit, as he loves to call himself) for the struggle against war.

Following his maxim, "Criticism the Party executive, but don't, by any chance, hurt anybody," he feels it a prime necessity to begin his treatise with a profound Marxian analysis on the attitude of the proletariat to war. And it is hardly fair to expect him to begin otherwise than by wisely reprimanding the Communists.

"They see, inasmuch as they are able to see, forces in capitalism tending towards war, and thus mock at any effort directed to counteract such forces. . . . They fail to appreciate the dialectic of development, which while giving rise to pro-war tendencies, simultaneously carries within it the seeds of proletarian anti-war tendencies."

A Communist gladly accepts good advice even though it proceeds from a Paul Levi. But we have got to draw the line somewhere.

Strangely enough, unlike Levi's comrades—Hilferding, Deutsch, Paul Boncour, MacDonald and the rest of this crew—who seem to have discovered pacifist tendencies in present-day capitalism, Communists are aware of forces in capitalism tending towards war. Then, again, Communists are not supposed to realise that there are proletarian anti-war tendencies, which is the dialectic consequence of the forms. Are we to understand that this anti-war tendency makes itself felt in Paul Boncour's mobilisation plan or in Julius Deutsch's notorious theory concerning Social-Democracy's collective responsibility?

The proletarian anti-war tendency undoubtedly exists, but we have to look for it elsewhere.

"The Communists," continues Levi, "have heard somewhere rumours that associated with capitalism is a tendency to war. . . . This they proceed to interpret as follows: 'Capitalism must be driven from war to war.' Any attempt at opposing and counteracting such a tendency is immediately labelled as 'opportunism,' 'reformism,' 'pacifism.'"

Mr. Levi exaggerates slightly. Communists have never regarded proletarian anti-war tendencies as opportunist or reformist. When during the Ruhr troubles the proletarian anti-war tendency—which was so highly, though unwillingly, praised by Sarraut, the French Minister of the Interior, during his speech, wherein he showed such great anxiety—became apparent, no Communist described it as reformist or pacifist.



**Back to the 4th August—continued**

But the champion turn arrives when Levi (after having appointed Paul Lensch as the apostle of Communism) declares it is the claim of Communist theory that by fostering capitalism, the latter will ultimately be overcome. Adopting the "despicable courage of the renegade" (this phrase of Rosa Luxemburg's was particularly intended for P. Levi) he attempts to hide his own passive attitude to war by stupidly charging Communists with the crime of fostering capitalism. Are Cachin and other French Communist leaders landed in prison because they fostered capitalism? Are the Communists of Italy, Poland, nay, even of peaceful Norway, imprisoned because they fostered capitalism? Not even a right wing leader would perform such a skilful 'imaginative trick! Yea, one must indeed be a Paul Levi.

But what proposals does this valiant knight offer us for the battle against war, against capitalism?

He commences a lengthy discourse on the "old, anti-war traditions of Socialism, beats his chest and loudly exclaims, "We have never favoured the departure from this tradition which occurred early in the world war. [But to-day he cringes before Wels and Noske.] In this sense we are glad to be called pacifists. Yes, we are against war."

Levi naturally dislikes being considered a bourgeois pacifist, and so he explains the differences between his own and bourgeois pacifism. These are:

1. The fundamental ideology of pacifism.
2. His search for a rational system.
3. His postulate of the existence of laws, completely independent of their social content.

Basing his remarks on that relativism which, devoid of any principles, has been employed by left wing Social-Democrats to justify every foul deed, he is of the opinion that it is wrong to refer contemptuously to conceptions such as the League of Nations, disarmament, etc., simply as "pacifist swindles." He believes that there is also a proletarian policy of a League of Nations, whose gravitational centre was the International. Thus, though the League is criticised, the bitter pill is sweetened by coupling the name of the League, which symbolises so completely capitalist imposture with the name of the International, which to most proletarians has a much deeper significance.

What are the tasks in the struggle against war suggested by this guardian of proletarian traditions?

"Ever again it is necessary to appeal to the common proletarian interest in all countries. **Only thus is success possible.**"

If our memory serves us rightly, the Spartacus League, an organisation with which Levi was at one time connected, was, apart from this appeal, familiar with another anti-war weapon—work in the army.

Work in the army, Levi maintains, is unnecessary at present. Armies have been considerably reduced, and conditions have largely altered since the war, when army work was very essential. The gravitational centre is situated to-day in the working class and in the factories. It must be

here that our attention is focussed. Courteously bowing to Gessler's Imperial Defence Force, Levi declares that he would not advise anyone to agitate within the defence force. From a very superior plane Levi looks down upon the work of the Communists inside the army.

"Times have changed," he believes. "The next war will see the entry of the politician into the field marshal's domain. But in this case the parties of Socialism become essential factors in war control."

To us this is no new discovery. We still remember a wartime picture depicting general and politician side by side. We have in mind a photograph in which Ebert and Scheidemann stand shoulder to shoulder with Hindenburg.

Probably profoundly impressed by this photograph, Levi was moved to pen the following lines:

"Only the great workers' parties can help the generals to secure the trust and confidence of the workers. . . . Only they can do this work." (Page 23.)

The German Social-Democratic leaders and their friends undoubtedly fulfilled this function admirably at the beginning of the war in 1914. Levi proudly believes that if only the masses turn against war, the war machine will automatically stand still. For are not the workers at home important factors in a war?

This sounds very convincing. The worker in the factory will in the coming war play a decisive role. Just one word from the "political factor" of the great workers' parties and the war will be at an end.

The fact of the armed preparations of the bourgeoisie, of the oppression of Labour organisations and of placing these under State control, the English Trade Union Bill, the Italian terror—all these are safely outside Levi's considerations. We have for this reason alone not the least ground for assuming that the prevention of war is an easy matter. But is it really expecting too much from Levi, the left wing critic, to know where the great Party of the workers is standing to-day?

German Social-Democrats are to-day adopting the attitude of Scheidemann during the war.

British Labour leaders betrayed the Russian, the Chinese and their own proletariat during the General Strike.

In France, Paul Boncour is helping the bourgeoisie to pave the way for new wars. In Italy, D'Aragona has joined the Fascists. In Poland the Social-Democrats are supporting Pilsudski's bloody terror. Do all these facts show that the anti-war traditions of Socialism are being guarded?

And the numberless Communists thrown into the prisons of all countries, are they defending Socialism?

One single leaflet and half a dozen Communists find themselves in prison in Norway, a country far removed from the disturbances caused by the revolutionary movement.

What treatment is likely to be dealt out by imperialism for opposition to a war?

The old slogan which Levi chooses as the title of his pamphlet is still valid. One thing only has changed. The Social-Democratic Party no longer is the Party of Socialism and of peace. It has become the party of capitalism and of war.





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